Intelligent Revenue Cycle Management

It's not just about technology, it's about using technology — and people and processes — wisely

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Introduction

Deploying technology to make something bigger, better and faster — absent thoughtful and intentional consideration — will only magnify the problems the technology was supposed to fix.

This is the challenge facing hospitals, health systems and medical practices across the country that want to improve their revenue cycle management performance. Health care tech companies are surrounding providers with artificial intelligence (AI)-powered tools to automate their revenue cycle from end to end and every revenue cycle function, process and task in between.

Beyond financial performance, revenue cycle management plays a central role in shaping patients' experience with care. Accurate coding, timely claims processing and clear benefit verification help ensure that patients can access their insurance coverage and understand their financial responsibilities. Revenue cycle processes are also foundational to patient-facing functions such as financial assistance, payment plans and alternative payment options — all of which influence trust, access and affordability.

Health care organizations may find the offerings enticing and adopt them to score quick wins along their revenue cycle continuum. But doing so could exact a high price if the organizations don't have a plan for effectively integrating those offerings with their existing systems, staff and processes.

This Trailblazers report from the American Hospital Association's Market Scan outlines how providers can deploy technology to improve their revenue cycle management performance and do so intentionally by complementing that technology with the right people and the right processes.

This report includes case studies featuring health systems that have pursued such a holistic approach to improving their revenue cycle performance. ●

$180.3 billion

Size of the AI health care revenue cycle market by 2034

Source: Towards Healthcare, 2025
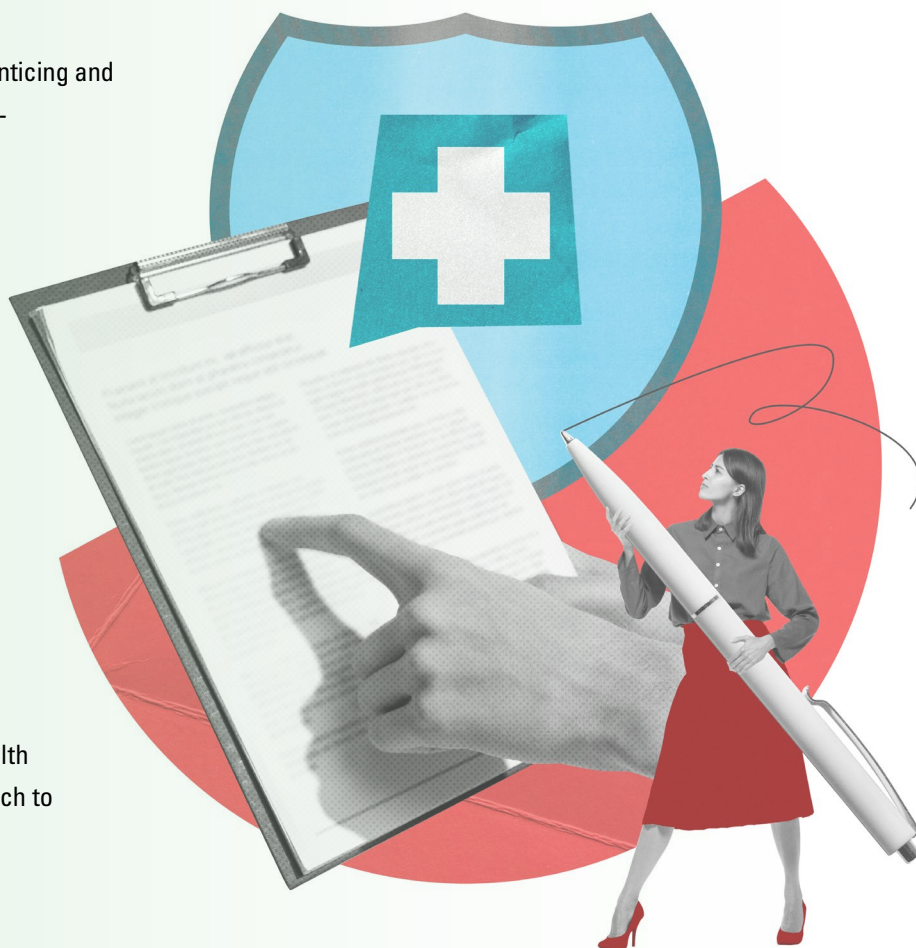
AI and the Health Care Revenue Cycle

AI technology is a solution in search of a challenge. The health care revenue cycle is a challenge in search of a solution. It was only a matter of time before the two found each other.

A spate of reports, surveys and research has documented their passionate embrace.

- A new Guidehouse survey of 50 senior-level hospital and health system finance executives found that more than half are increasing the use of automation and AI to address revenue cycle staffing challenges, and 69% said that revenue cycle technology is their highest priority investment over the next year.

- In October, Bain & Company and KLAS Research released the results of their survey of 228 health care executives on their IT investment priorities. Revenue cycle management topped the list, cited by 49% of the respondents as one of their top three IT investment priorities.

- In September, the HHS Assistant Secretary for Technology Policy/Office of the National Coordinator for Health Information Technology issued a report on hospitals' use of AI. The report is based on an American Hospital Association survey of more than 2,200 hospitals in 2024. Sixty-one percent of the hospital respondents stated that they're using AI to simplify or automate their billing processes. That's up from 36% from a similar survey conducted by the AHA in 2023.

- In August, market research firm Towards Healthcare stated that the global market for AI in health care revenue cycle management will grow more than 24% annually and reach more than $180 billion by 2034. That's up from about $26 billion this year.

While reports, surveys and research offer a wide view of AI's potential, they also highlight an important opportunity: Health care leaders can take the lead in identifying which AI approaches best align with their revenue-cycle challenges and in selecting solutions that will drive meaningful, long-term improvements for their patients and communities. ●

> *"AI works well with revenue cycle because AI works well with transactions, and revenue cycle is very transactional. I tell our revenue cycle people that if you've seen it five times, we probably should be trying to figure out how we can use technology."*
>
> — **MIKE NORMAN** —
> Chief strategy officer, Genesis Healthcare System

> *"Hospitals are feeling significant pressure to incorporate AI into their revenue cycle processes. Despite this pressure, it is imperative to resist the temptation and remain cautious when evaluating potential AI solutions. Make informed decisions to ensure the best outcomes for your organization."*
>
> — **SHELA SCHEMEL** —
> Senior vice president, Guidehouse

> *"The market is flooded with both point and platform solutions as there is an abundance of funding in the AI space. It's important for each health system to determine what solutions fit their needs to advance their mission and financial performance."*
>
> — **TIM KINNEY** —
> Partner, payer/provider practice leader, Guidehouse

BEST PRACTICE TIP | Strong data governance and data control are prerequisites to implementing AI-powered technology to improve revenue cycle processes.

Platform vs. Point Solutions

Everyone from legacy electronic health record (EHR) vendors to today's health tech startups has AI-powered point solutions for revenue cycle challenges. The availability of open-source AI technology has eliminated most barriers to entry into the revenue cycle point solution market.

As a result, providers have a choice. They can plug and play along their entire revenue cycle continuum with disparate point solutions. Or they can take a step back and take a more thoughtful and intentional approach to addressing revenue cycle issues with technology.

The revenue cycle subject matter experts interviewed for this report unanimously advocate for the latter approach to transforming providers' revenue cycle with smart technology.

The first step in pursuing that approach is a step — a step back. A thoughtful and intentional approach to revenue cycle transformation starts with pausing and looking at the big picture: What does the organization want to accomplish with its transformation?

When they step back, provider organizations should see a platform for revenue cycle transformation. They must see AI-enabled point solutions as potential parts of a whole, not as disconnected and independent solutions to specific revenue cycle challenges.

Platforming revenue cycle solutions accomplishes several objectives. It inherently improves product and project decision-making. Providers will have visibility into what they have, what they need and how the pieces fit together. It makes adhering to the platform the default position for all caregiving and service lines and sites across the enterprise. And it will sustain performance improvement via scale across the enterprise.

The second step in pursuing that thoughtful and intentional approach is knowing what an organization wants to achieve with its revenue cycle transformation. What do organizations want technology (and complementary staffing and processes) to do? ●

"You really can't achieve any cost savings or efficiency gains if you're running multiple systems because you've got duplicative management and duplicative staffing."

— **ANDREW SCIANIMANICO** —
Vice president, chief revenue cycle executive, Northwestern Medicine

"Revenue cycle is an easy place to start AI. There are a lot of commoditized events in the revenue cycle. There are tens of thousands if not millions of transactions daily, weekly and monthly. It's rinse and repeat. If you're going to start somewhere to drive efficiency, the revenue cycle was made for AI."

— **TIM KINNEY** —
Partner, payer/provider practice leader, Guidehouse

77%
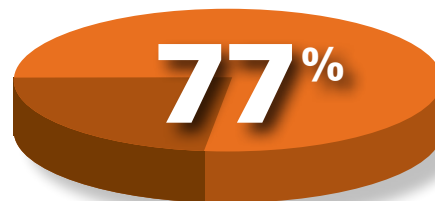
Percentage of surveyed senior-level hospital and health system executives who said they believe AI can help their organizations improve their revenue cycle operations

Source: Sage Growth Partners, 2025

People and Processes

Organizations should know what they want to accomplish with revenue cycle transformation and decide how they can balance people, processes and technology to generate the operational efficiencies they want.

Finding the right balance starts with getting the right people around the table. All affected stakeholders should be part of the transformation from the outset. That includes leaders from revenue cycle, finance, health information technology (IT), quality assurance, data governance, data security, human resources, medical staff, nursing and more. They all need to know why they're around the table, what their role is in transforming the revenue cycle and how that transformation will affect their internal constituencies.

Striking the right balance also means adding new skill sets and new competencies to an organization's revenue cycle transfor-

" Scalability is inherent to consistent workflows. Without consistent processes, scalability is next to impossible. **"**

— **ATEK PANDYA** —
Director, chief revenue cycle automation and engineering, Northwestern Medicine

mation initiative. That could mean adding revenue cycle analysts, data scientists and cybersecurity experts to the skill mix. A thoughtful and intentional approach to revenue cycle transformation means identifying the competencies and skill sets an initiative will require well in advance.

Being deliberate and strategic means anticipating how intelligent revenue cycle transformation will affect the workforce. When technology is introduced to assume specific functions along the revenue cycle, organizations can proactively determine how to support the individuals whose roles are displaced or reshaped. The same consideration applies to those whose responsibilities are streamlined or redefined by AI-driven tools. A comprehensive transformation plan will include training, education, upskilling, redeployment and reassignment to ensure that people remain engaged, valued and aligned with the organization's evolving needs.

Knowing what an organization wants to accomplish and how it intends to get there by balancing people, processes and technology are hallmarks of forward-looking hospitals, health systems and medical practices that excel at revenue cycle performance improvement. ●

61%
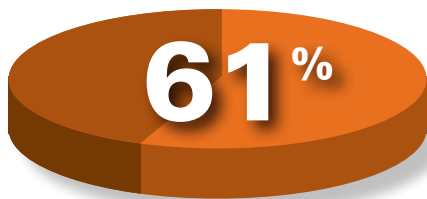
Percentage of surveyed hospitals that said they're using predictive AI to simplify or automate their billing processes

Source: HHS Assistant Secretary for Technology Policy/ Office of the National Coordinator for Health Information Technology, 2025

BEST PRACTICE TIP | Before launching a revenue cycle performance improvement initiative, determine the revenue cycle key performance indicators (KPIs) to track to monitor progress toward defined objectives.

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BEST IN KLAS® OUTSOURCED CODING 2024

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BEST IN KLAS® OUTSOURCED CODING 2025

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Scaling AI For Sustainable Improvement

Operating from a common foundation, Northwestern Medicine, an academic health system based in Chicago, operates 10 inpatient acute care hospitals, one rehabilitation hospital and hundreds of outpatient care sites in and around Chicago. Its flagship hospital is Northwestern Memorial Hospital, Chicago.

Two of many people keeping track of patient service revenue at the system are Andrew Scianimanico, vice president and chief revenue cycle executive, and Atek Pandya, director of revenue cycle automation and engineering.

Not unlike other health systems, as Northwestern grew, its revenue cycle challenges also grew; each new hospital or medical practice brought with it a legacy EHR system and related legacy billing systems. Some operated their revenue cycles in house. Others outsourced all or part of their revenue cycles to multiple vendors with bolt-on revenue cycle technologies.

One big downside to a patchwork revenue cycle system was the patient experience, Scianimanico says. For example, no two registration processes were the same. Patients had to provide essentially the same information over and over again if they visited different Northwestern sites or medical practices. No two resulting bills were the same after patients received care. Nothing was standardized.

"It was incredibly frustrating for the patient," Scianimanico says.

It was equally frustrating internally for Northwestern. The two biggest downsides for the system were inefficiency and management focus. Achieving any kind of cost savings or efficiency gains was next to impossible with disparate systems, each with its own unique people, processes and technology. There were few opportunities for consolidation or to modify management focus. There were no consistent processes, reporting or metrics. Everyone was reporting different information and then trying to make sense of it all.

That changed when Northwestern began a major overhaul of its revenue cycle operations. The first and foun-

BEST PRACTICE **TIP**

All revenue cycle processes in the front end, middle and back end of the revenue cycle continuum must be standardized and consistently performed across a health system to be able to measure and improve revenue cycle performance.

> **"**You have to identify what the best practice is for each revenue cycle function and what works best. Then you have to retrain your staff, so everyone is doing it the same way each and every time throughout the entire system.**"**
>
> — **ANDREW SCIANIMANICO** —
> Vice president, chief revenue cycle executive,
> Northwestern Medicine

dational step was getting all of the system's hospitals, medical practices and service lines on the same EHR system. Any hospital, practice or site that joins Northwestern converts to the same EHR system.

Northwestern's decision to standardize on a single EHR platform was driven first by the need to better integrate clinical information across sites, improve care coordination and create a more consistent patient experience — with revenue cycle standardization emerging as a critical secondary benefit.

"We've become very good at spinning up a new site onto our EHR system whether it be an ambulatory surgery center, a medical group or even a hospital," Pandya says. "Because we're on one platform, we know what to do every time."

That platform served as the launching pad for a major optimization strategy that Northwestern kicked off a year later. The strategy aggressively pursued both internal and external performance improvement opportunities.

Internally, Northwestern:
- Consolidated billing manager positions largely through attrition.
- Retrained IT staff on the new EHR system and related billing system.
- Identified best practices in revenue cycle processes like patient registration, revenue integrity, coding, chargemaster, charge capture, billing, collections, etc., and rolled those out uniformly across the system.

Externally, Northwestern:
- Rebalanced charges by payer, service line and region.
- Aligned charges for medical practice rates across markets.
- Adopted standardized guiding principles for rate and contract term negotiations with payers.
- Implemented an enterprise wide revenue monitoring system with standard revenue cycle KPIs.

As for technology, Northwestern introduced robotic process automation and AI technologies into its revenue cycle operations to assist with about 5,000 individual tasks each day — but only after it got all its processes and staffing right and all on the same page. ●

$40 million

The value of revenue cycle improvement opportunities identified by Northwestern's optimization strategy

Source: Northwestern Medicine

Think First, Deploy Second

The Genesis HealthCare System is a rural health system based in Zanesville, Ohio. It operates one acute care hospital and an extensive network of more than 300 physicians and multiple outpatient care centers throughout a six-county region in southeastern Ohio.

Mike Norman, Genesis' chief strategy officer, leads a strategic transformation of the middle section of the system's revenue cycle system that began more than a decade ago and continues to this day. Middle revenue cycle functions, processes and tasks include coding, charge capture and clinical documentation.

The starting point of that transformation was automating coding, replacing human coders with machine learning technology. The reason was simple: Genesis was struggling to hire and retain coders who were leaving for remote jobs at higher wages than the health system could afford to pay.

"You could sit in Zanesville and code for the Mayo Clinic," Norman says. "Remote work created by the COVID-19 pandemic hurt us."

The system started using coding automation technology in the emergency department for ED visits as those services typically fall within a predictable diagnostic and procedural range and expanded from there as the technology improved and proved itself. Concurrent human

> **"The middle revenue cycle is where we needed to perform better, and it's the area in which we had the toughest time recruiting and keeping people. That made our middle revenue cycle ripe for AI."**
>
> — **MIKE NORMAN** —
> Chief strategy officer,
> Genesis HealthCare System

2 minutes

The time it takes Genesis HealthCare System's AI technology to accurately code a patient visit to the emergency department compared with up to 15 minutes for a human coder.

Source: Genesis HealthCare System

audits verified that the technology performed as good or better than human coders.

Piggybacking on that experience, Genesis deployed AI technology to review clinical documentation for completeness. Prior to that, a group of nurses reviewed medical records and charts. But they couldn't get to all the charts all the time. And the nurses didn't always know what they were looking for or what was missing. AI does both. It learns what's missing, and it gets to all the charts.

The positive experience has Norman exploring AI technology to review payer payment policies as each payer has its own policies and even the same payer has inconsistent policies. Those variations often lead to claim delays and denials as the prior authorization, precertification, clinical documentation and other requirements trip up physicians and other clinicians.

However, Norman cautions against treating AI as a cure-all. Adopting a tool before fully understanding the underlying issue can create what he calls "artificial ignorance." If a revenue cycle process is flawed, automating it will only amplify those flaws. The process needs to be fixed first — then technology can reinforce it.

"The computer will do what the human just did, and if what the human did was broken, the computer will just do more of the same and faster," Norman says.

Norman and his team have three essential criteria for evaluating AI solutions for revenue cycle problems. First, the AI solution must make a process more efficient, i.e., lower the cost of that process. Second, the AI solution must propel that process to a higher level of effectiveness or performance. Third, the solution must integrate with the system's overall approach to revenue cycle transformation, which balances tech with people and processes. If a tool doesn't check those three boxes, it stays in the box.

Taking a deliberate, thoughtful and intentional approach to revenue cycle transformation has pushed all of the system's revenue cycle KPIs in the right direction ●

BEST PRACTICE **TIP**

Embrace continuous process improvement and change management mindsets for revenue cycle management. Do not be afraid to try new things.

CONCLUSION:
Look Before You Leap

Improving revenue cycle performance is a powerful opportunity — and organizations that take a thoughtful, intentional approach are best positioned to succeed. By clearly identifying what needs attention, strengthening the underlying processes, and then layering in the right mix of technology, people and workflows, hospitals, health systems and medical practices can build scalable, sustainable gains that support long-term financial health. ●

"Before you deploy AI, you should evaluate your existing processes and understand what you're trying to accomplish and how that impacts both up and downstream processes in your organization — especially within your revenue cycle."

— SHELA SCHEMEL —
Senior vice president, Guidehouse

49%
Percentage of surveyed health care executives who cited revenue cycle management as one of their top three health care investment priorities

Source: Bain & Co., KLAS Research, 2025

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